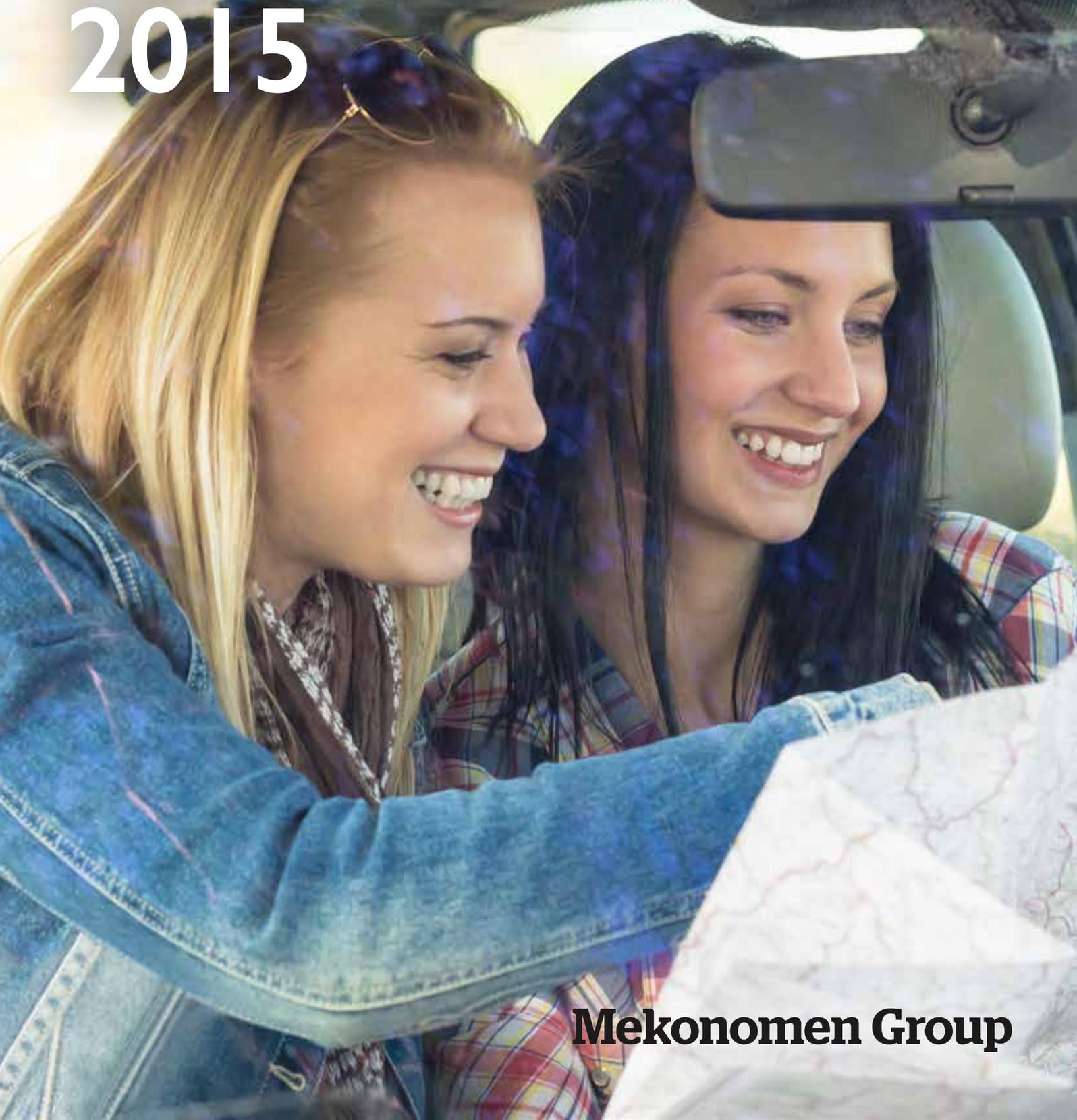


# SUSTAINABILITY REPORT 2015

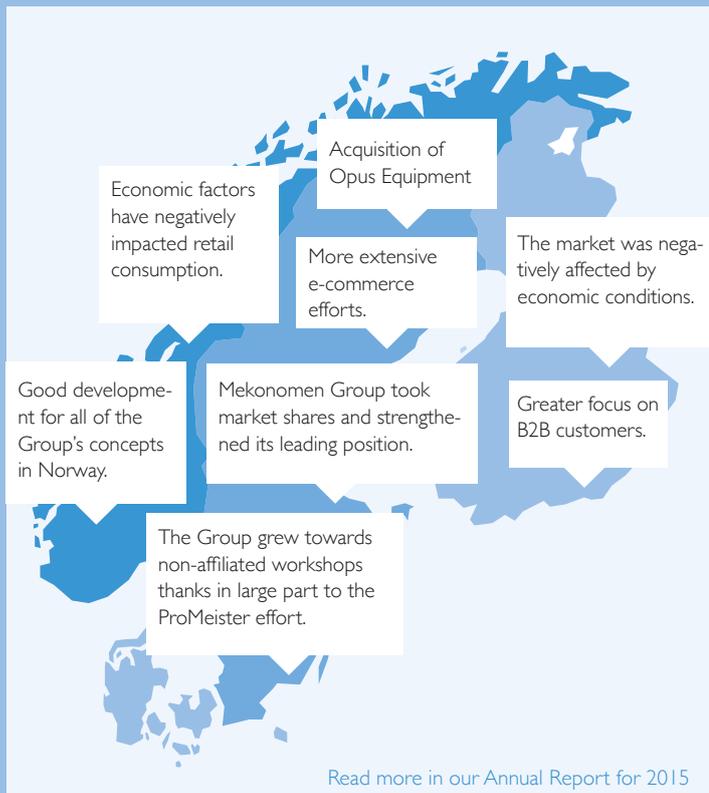


**Mekonomen Group**

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## The Group's development in the Nordic region in 2015



## Mekonomen Group in brief

Mekonomen Group (Mekonomen AB) is the leading car accessory, spare parts and workshop service chain in the Nordic region. Mekonomen Group comprises the three Group companies: MECA, Mekonomen and Sørensen og Balchen. We have proprietary wholesale operations, about 350 stores and 2,100 workshops operating under the Group's brands MECA, Mekonomen, BilXtra, MekoPartner and Speedy. Net sales for the Group amounted to SEK 5,624 M in 2014 and the average number of employees in the Nordic region was 2,290. The company's share has been listed on Nasdaq OMX Nordic Stockholm since May 2000. The principal owner is Axel Johnson with subsidiaries that own 26.5 per cent of the shares. Store and workshop operations are conducted in Sweden, Norway, Finland, Denmark and Iceland. Spare parts are sold via a collaboration with a distributor under the Group's proprietary brand, ProMeister, in South Korea. In Poland, Mekonomen Group is part-owner of a quality testing lab in which a large proportion of the accessory and spare parts range is tested. The Group's head office is located at Torsplan in Stockholm, Sweden.

## About the Sustainability Report

The Sustainability Report includes all of Mekonomen Group's proprietary workshops in the Nordic region and refers to the 2015 financial year. This is the first year the Sustainability Report has been produced in accordance with Global Reporting Initiative (GRI) guidelines governing sustainability reporting at G4 Core level.

Mekonomen Group is affiliated with the UN Global Compact and the 2015 Sustainability Report also comprises Mekonomen Group's Communication of Progress for the UN Global Compact.

## Vision

We are the car owner's first choice and strive for a simpler and more affordable CarLife.

**Mekonomen**

**M E C A**

Pro**Meister**

**BILVERKSTAD**

**carwise**

**MekoPartner**

**OPUS**  
EQUIPMENT AB

**speedy**  
bilservice  
medan du väntar

**BilXtra**

**lasingoo.se**

# Sustainability – a component of business value

Mekonomen Group is growing rapidly as a company and we are gradually establishing a presence in new markets in new categories. This means that the manner in which we conduct ourselves in relation to the world around us is becoming increasingly important, both as a company and individual employees. Our core values and our corporate culture form the basis for how employees should act – and how we want the outside world to perceive us as a company. Our journey has only just begun, and we will continue to work towards implementing sustainability in our operations as a component of business value. We should also show a great amount of respect for the world around us and the speed at which changes are occurring.

We need to recruit 500 new mechanics to our workshops within the next few years. The market for mechanics poses a challenge as existing automotive vocational programmes do not fulfil the requirements set by today's modern workshops. Automotive vocational programmes also find it difficult to attract students, which has led to a shortage of mechanics. To secure future growth in the number of mechanics in Mekonomen Group, we have initiated our own recruitment channels in collaboration with social partners. The Win Win Win project, together with the Public Employment Services (Arbetsförmedlingen), is one example where we recruit and offer supplementary training and workshop experience to people who have recently arrived in Sweden with a mechanical or technical background. In autumn 2017, we will set up our own upper secondary school programme for automotive mechanics with the aim of raising the quality of the automotive vocational programme and increasing the attractiveness of the profession.

Investing in the quality and professional development of the mechanics in our workshops is a prioritised area. We offer professional development courses to ensure that our mechanics have the skills in terms of new technology and software updates required to deal with new models of car on the market. Our training centre, ProMeister Academy, has grown annually since it started in 2013. By 2020, the aim is for 95 per cent of the Group's mechanics to have received training through the ProMeister Academy.

We adhere to the UN Global Compact, meaning we require the company, its employees, business partners and the supply chain to follow the principles governing human rights, working conditions, the environment and corruption. We are working to introduce a clause into all supplier agreements requiring compliance with the UN Global Compact and are simultaneously introducing processes to monitor supplier compliance. 90 per cent of our range comes from suppliers who have signed our clause requiring compliance with the UN Global Compact, or who have their own equivalent commitment.

The challenge mainly lies in the large number of suppliers involved in Mekonomen Group's supply chain. The efforts to introduce the clause into other agreements will continue over the coming years. Committed managers and employees are important for the success of the company. We have an ongoing dialogue with employees in order to improve the areas that affect commitment and satisfaction in the workplace. In 2015, an employee survey was carried out in which the result concerning satisfaction in the workplace had increased by a further two percentage points from 84 to 86 (Employee Satisfaction Index). Mekonomen Group has a highly developed entrepreneurial spirit with employees who are responsible and committed. I am looking forward to continuing our efforts to ensure we, as a leading player, will be at forefront of sustainability in our industry.



Magnus Johansson  
President and CEO, Mekonomen Group

## Sustainability efforts should contribute to business value

As a leading industry player, our decisions and priorities have a direct impact on our employees and customers, but also on our industry and the outside world. That is why we must take responsibility and be at the forefront of sustainability in our industry.

Sustainability should be an integrated part of the business operations, with established goals helping to create value for the company.

Our sustainability efforts should contribute to:

- Higher sales and growth
- Reduced commercial risks
- Increased competency and quality in our workshops
- Secured future supply of mechanics
- Competent and experienced leadership and committed employees who are our ambassadors



# Strategy for sustainable development

In 2015, a new sustainability strategy was developed that will guide our work until 2020. The focus areas have been prioritised based on the Group's values and our continuous dialogue with stakeholders.

Mekonomen Group's sustainability strategy builds on our materiality analysis, which we continuously work on and update. The materiality analysis is an important tool for identifying internal and external stakeholders' views of the sustainability factors that are most important for Mekonomen Group. In 2014, Mekonomen Group conducted an initial materiality analysis in which Group Management, managers and employees in Mekonomen Group participated. It was then supplemented with a gap analysis, which shows the Group's work in relation to the United Nations Global Compact, of which the Mekonomen Group has been a participant with since 2013. Participation means that the Group commits to the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. The materiality analysis was also translated into a wider perspective, in which consideration was given to national and international trends, standards, expectations, guidelines and laws that are relevant to a responsible and sustainable business.

” In 2016, we will further develop our materiality analysis through more stakeholder dialogues with external stakeholders.

This work resulted in seven focus areas that describe the Group's most important issues and priorities in the sustainability area. They are Customer Satisfaction, Product and Workshop Quality, Training, Managers and Employees, Diversity, Responsible Purchasing, and Transports and Energy Consumption. A number of targets have been set for these areas, which are to be achieved by 2020. The areas that primarily concern external

stakeholders are Customer Satisfaction, Transports and Energy Consumption, Responsible Purchasing, Product and Workshop Quality and Training in connection with affiliated workshops. All focus areas also concern internal stakeholders and are addressed and have an impact within the Group. In 2016, we will further develop our materiality analysis through more stakeholder dialogues with external stakeholders.

## Organisation and governance

The sustainability efforts are integrated to a large extent into Mekonomen Group's operations. The strategic sustainability efforts are overseen by the managers of each respective business area in collaboration with those responsible for the environment and quality in each Group company. Monitoring is ultimately carried out by Group Management and the Board of Directors. Work concerning our areas of focus is currently conducted at different levels and to different extents in Group companies. We have introduced coordination into the sustainability area, setting out a clearer joint strategy and goals to provide enhanced opportunities for monitoring the lowest accepted level for the future.

The Group's work in terms of centralising the Purchasing and Workshop offering functions under one governance structure has led to the sustainability efforts being refined within the Supplier chain and Customers (workshop) focus areas. Those responsible for the business area are also responsible for the sustainability efforts.

Both the Group's overall goals and each Group company's specific target groups and focus areas are reflected in the Society area. Initiatives are therefore being undertaken both centrally and locally, with responsibility being assigned to the respective President.

In the case of strategic collaborative projects, responsibility is assigned to the manager responsible for the business area in which the initiative is taking place. Within the Environment and Employees areas, there are responsible Environment and HR managers working at the Group companies Mekonomen and MECA. The company President is responsible for Sørensen og Balchen. The respective President is responsible for the Customers area, with the support and commitment of the entire organisation. Last but not least, store employees play an important role as ambassadors and our public face for customers.

## Target scenarios up to 2020:

- Facilitate recruitment of 500 mechanics.
- Employee Satisfaction Index (ESI): 95.
- 35 per cent of management positions occupied by women.
- 95 per cent of the Group's mechanics to have participated in ProMeister Academy training courses annually.
- All employees to have received training in the Group's Code of Conduct, Whistle blowing function and corruption policy.
- Suppliers representing 95 per cent of the Group's purchasing volumes to have signed the UN Global Compact.

## Focus areas

The Group's sustainability work is divided into seven focus areas with regard to quality, environment and social conditions in every stage – from production to sales.

### Customer satisfaction

- We conduct a continuous dialogue with our customers to ensure that they experience a high level of customer service, quality and affordability.

### Product and workshop quality

- We ensure a high level of quality through extensive product testing and continuous internal and external quality audits in our workshops.

### Training

- We offer courses and further training for mechanics through the Group's training centre ProMeister Academy.

### Managers and employees

- We offer a developing workplace that creates committed and involved managers and employees.

### Diversity

- Our workplaces should reflect our customer groups and society at large.

### Responsible purchasing

- We continuously improve our follow-up processes to ensure consideration and compliance to human rights, working conditions, and environmental and anti-corruption regulations in our supply chain.

### Transports and energy consumption

- We continuously improve the efficiency of our operations to reduce CO<sup>2</sup> emissions and energy consumption.

## Stakeholder dialogue

Mekonomen Group has an ongoing dialogue with customers, employees, owners and investors, suppliers and wider society. Dialogue and collaboration with social partners takes place with, among others, authorities (the Public Employment Services and Board of Education), organisations promoting diversity and integration (Mitt Liv, Mine, the En Frisk Generation foundation, the Glada HudikTeater, Telge Tillväxt and Diversity Charter Sweden) and trade associations (SFVF, MRF). These are our key stakeholders who are affected either directly or to a large extent by the decisions taken and priorities set by us as a company.



### Society

- Diversity
- Training



### Employees

- Workplace satisfaction
- Leadership
- Development opportunities



### Suppliers

- Human Rights at all stages
- Product quality



### Customers

- Workshop quality
- Treatment of customers



### Investors

- Suppliers checks
- Transparency
- Governance



# Diversity and education

We strive for employees at our workplaces to reflect our customer target groups and society in general. Our diversity work is also a direct solution to the problem of a shortage of mechanics in our industry.

## Large need for mechanics

The trend in recent years indicates a growing need for mechanics in the workshops, while interest in being a mechanic as a career has fallen and fewer mechanics are graduating from Swedish high schools. The employability of the mechanics who graduate from high school is low in some cases due to insufficient expertise. An apprenticeship period is necessary, which is costly for the workshops. In our assessment, we will need 500 mechanics within a few years. The corresponding figure in our industry is 5,000 mechanics. To cover the future need for expertise, we have initiated the training project "Win win win" together with the Public Employment Services. We will also establish our own high school education programme for mechanics.

## Own high school for mechanics

The vocational training for mechanics needs to be modernised to meet the skills requirements in today's workshops. Mekonomen Group is therefore establishing its own high school within the Group's existing training centre ProMeister Academy. This endeavour is taking place together with *Lärande i Sverige AB* which currently operates the *Realgymnasiet* network of vocational high schools in Sweden with permits to offer an automotive programme. Mekonomen Group is taking the primary responsibility for ensuring that the quality and content of the programme meets the needs of the workshops, which will also improve the employment possibilities for the recently graduated mechanics. Traditionally, the relationship is the opposite, where the school operator is responsible for the programme's quality and content and courts business for small-scale collaboration and isolated efforts. This initiative is in line with the government's ambition regarding a future characterised by "vocational high schools in collaboration" that aim for greater cooperation between schools and business.

The ProMeister programme is based on the results of needs analyses that are carried out in modern workshops. The goal of the programme is to better prepare the students for the profession as a mechanic based on the student's individual circumstances. This means that the programme will comprise a

## Education project "Win win win"

Together with the Public Employment Services, Mekonomen Group initiated a practical placement and training programme in 2014 for new arrivals to Sweden who want to work as automotive mechanics. The first pilot project was completed in autumn 2015 with the result that nearly 50 per cent of the participants were offered employment in the Group after a bit more than one year of studies and practical placement.

The objective of the training programme is to integrate new arrivals to the Swedish labour market and at the same time secure the future growth of mechanics in our workshops. The project entails considerable business value for our core business and benefits the individual and society.

Improvements in the education model take place continuously to improve the employment possibilities after the first year of studies and practical placement. The second round of the programme began in winter 2015 with eight participants. Already before the next training programme, we are confident of the possibilities of scaling up the number of participants significantly.

larger amount of on-the-job training than traditional high school programmes offer. Students who are advanced and need to be challenged will be able to be offered a transition to an upper-secondary apprenticeship within the scope of the ProMeister programme. The apprenticeship track makes it possible for workshops to follow and shape students over an extended period of time, which offers good employment possibilities after graduation. In contrast to other educational operators, the ProMeister programme will guarantee that all students offered a transition to apprenticeship training have achieved a certain level of knowledge. The students who remain in the ProMeister programme's teacher-led school activities have the opportunity of a faster development by having more time with their teachers and greater room to grow through practice in the training workshops set up for the endeavour.

A competence profile in relation to the competence analysis in the industry will also accompany the student after programme completion in order to be supplemented by future employers as the mechanic develops in working life. The programme is scheduled for launch in autumn 2017 in Stockholm and Lund.

### Attractive workplace with the possibility of development

Mekonomen Group has an entrepreneurial spirit characterised by commitment, in which all employees have opportunities for personal development and new challenges in their working life. We are highly adaptable and pragmatic and have great confidence in the ability of each individual. Our managers' and employees' commitment is a prerequisite for the Group's success. In addition to the daily dialogue at the workplaces, in-depth talks take place on the employee's goals, work situation and development opportunities. The employee gets feedback on his or her work and has the opportunity to provide feedback on his or her manager's leadership. Internal recruitment is an important model to retain skilled expertise and a possibility for managers and employees to develop and accept new challenges in the Group. Within MECA, there is also a Talent Management Programme that resulted in several examples of employees who had the opportunity of leadership development and being pulled up into management roles.

In 2015, the Group began a review of the HR work with a focus on developing leadership and introducing clearer structures for recruitment and follow-up, among other aspects. This work has mainly been initiated in Mekonomen Sweden and takes place as a part of increasing satisfaction at the workplace and improving earnings for the Group. Despite the lack of complete data, there is an indication that Mekonomen Group in total has a low personnel turnover and that sickness absence is at a very low level. More than 97 per cent of the total number of employees in Sweden are covered by collective agreements. In Norway, collective bargaining agreements are not as common in every industry and the proportion of affiliated employees is therefore lower than in Sweden. The Group's total number of employees who are affiliated with collective agreements in the Nordic region will be reported in future sustainability reports.

“ By having employees and managers with varying experience and expertise, we improve the possibility of meeting the customers' needs. Diversity is also important in order to create renewal and change in a traditional industry.

### Diversity contributes to greater business value

We strive for our workplaces to reflect the diversity of our customer groups and society in general. By having employees and managers with varying experience and expertise, we improve the possibility of meeting the customers' needs. Diversity is also important in order to create renewal and change in a traditional industry. For us, diversity is about the value of differences among our employees when it comes to gender, foreign backgrounds, age, education and experience.

Mekonomen Group has an age distribution in which around 50 per cent of the employees are under the age of 35, about 30 per cent of the employees are between 35 and 50, and around 20 per cent of the employees are over 50. A major challenge for us is to create an even gender distribution in a traditionally male industry. The proportion of women in Mekonomen Group is currently about 20 per cent. In order to get a more even distribution, work is under way to introduce clearer processes in recruitment. Among other things, we strive to identify both male and female final candidates when filling positions. It is important to set an example at every level in the company, not least in the management groups. Our vision for 2020 is to have 35 per cent women in management positions.

### Competence development – the ProMeister Academy

ProMeister Academy is the Group's training centre that secures the quality and skills of our mechanics in all of the Group's workshop chains. Courses are offered both through classroom instruction and through e-learning and

cover new technologies, customer service, professionalism and in-depth knowledge on specific car models. The training centre was founded in 2013 and 2,300 training days for mechanics are provided annually. The vision for 2020 is for 95 per cent of the Group's mechanics to undergo training at ProMeister Academy every year.

### Establishing support for the Group's values

Internally, business ethics are handled today in employment contracts and in the Group's Code of Conduct. The Code of Conduct was approved by the Board and has been translated to every Nordic language as well as English. A review of the Code of Conduct is done every year. Upon updates, it is sent out to all employees by e-mail and posted on digital intranet platforms and externally on the website mekonomen.com. The Code of Conduct also provides information on the Group's whistle-blower function that was implemented in 2011. To further establish business ethics among all of the employees, in 2016, we will develop e-learning courses on the Group's Code of Conduct, the whistle-blower function and anti-corruption policy. All employees are to have taken the courses before the end of 2017.

## Employee survey

The Group's employee surveys include questions about job satisfaction and working conditions, management, commitment and whether individual employees are able to influence their work situation. The survey is an important tool to identify improvement areas in the Group, all the way from an overall perspective down to one's own group or unit. Employee surveys are conducted every two years. The latest survey was conducted in 2015 and the results show a general positive development, including greater employee satisfaction (ESI).



## Our values

### Responsibility

We assume responsibility for our operating environment, shared resources and the environment, and we have confidence in the knowledge and ability of our employees. Our customers associate us with high quality.

### Competency

We have high professional qualification within the areas in which we operate and that results in our customers perceiving us as reliable and knowledgeable.

### Customer orientation

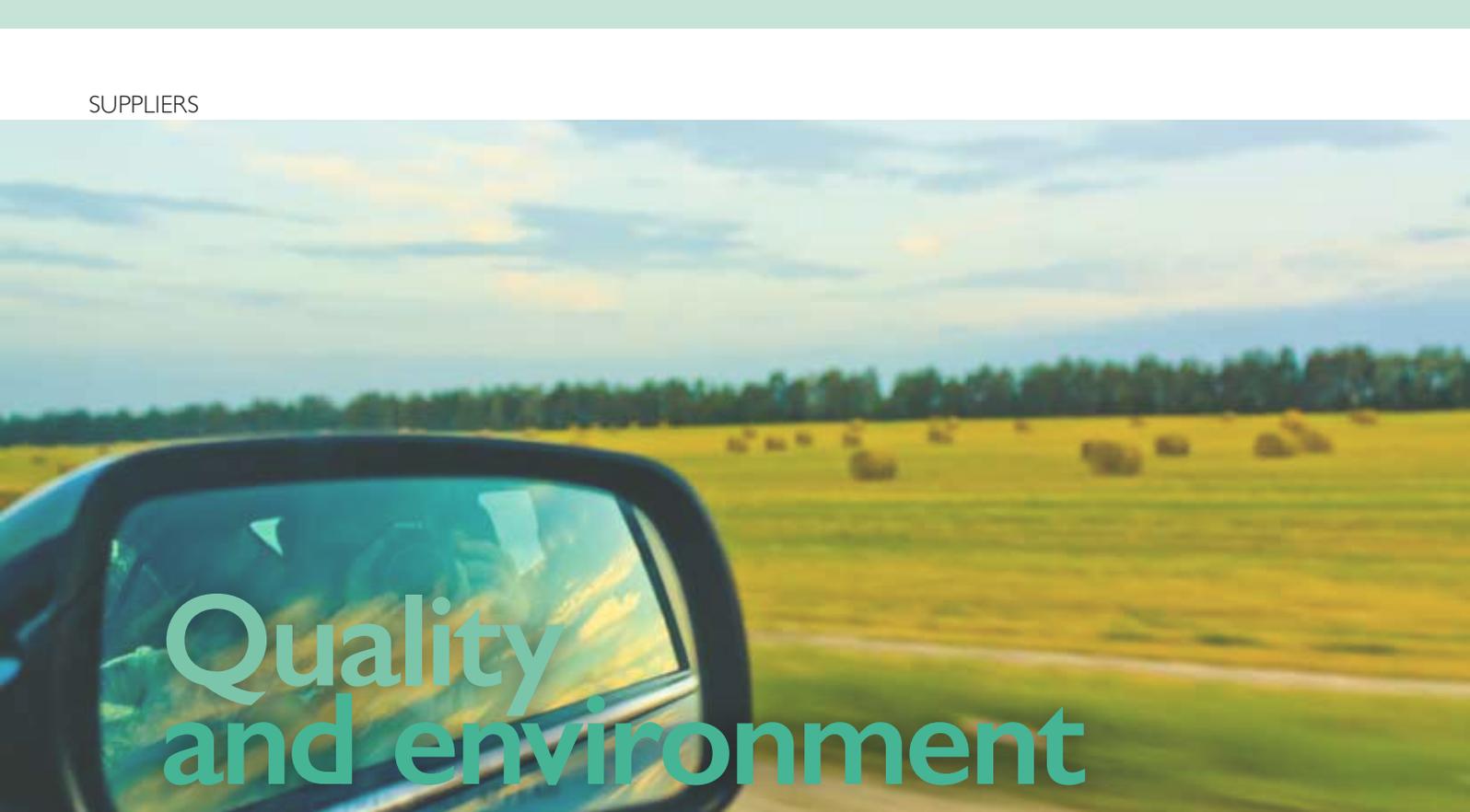
We place the customer first and satisfy our customers' expectations, which means that our customers understand that we have a comprehensive view.

### Flexibility

We seek new ideas and continuously evolve to meet the needs of existing and prospective customers. This results in our customers perceiving us as innovative.

### Business orientation

We achieve strong financial results, with a balance between short-term and long-term earnings. We are perceived as offering value for money by the customer.



# Quality and environment

Mekonomen Group mainly purchases spare parts and accessories from the large European suppliers in the automotive industry. By being a customer of major and recognised suppliers, we benefit from the strict environmental, health and safety and quality requirements already exercised by these players.

## Product quality

Quality forms the basis of Mekonomen Group's offering. We mainly purchase spare parts from the same suppliers that serve the car makers. We set high standards on documentation that ensures the level of quality and that the product is an original part or of equivalent quality. For all spare parts, the concept of quality encompasses the parameters: material, design, function, durability and health and safety. Spare parts made of metal are also covered by parameters such as rust proofing and density. Furthermore the quality assurance for these products takes place through the follow-up of complaints, warranty claims and measurement of frequently returned items. Suppliers that deviate from the rules have to present corrective actions and demonstrate an improved trend. We also conduct our own and independent tests to guarantee continued quality compliance. Our own tests are done in the Group's testing laboratory in Poland, which Mekonomen Group owns together with the Polish car part company Inter Cars.

In the development of our own brands, we ourselves assume a greater responsibility for the quality assurance of the products. Our own spare part brand ProMeister stands for premium quality, which means that we choose suppliers with high levels of quality.

In all factories that manufacture ProMeister spare parts, internal audits take place to ensure that they comply with legal requirements, quality requirements and the UN Global Compact. The product range also comprises the industry's longest warranty period – five years.

## Risks and risk assessment in the supply chain

Purchases of the product range under our own brands ProMeister (spare parts) and Carwise (accessories) largely take place from Europe. The percentage of purchases made through direct imports from Asia is below 10 per cent of the total purchasing volume. The Group has a well-developed range of spare parts and accessories for more than 9,000 car models. We stock more than 60,000 items in our wholesale inventory and through contract suppliers have access to another 500,000 items. In order to provide the broad range of parts that our customers demand, Mekonomen Group does business with a large number of suppliers.

To monitor compliance of the large number of suppliers to the UN Global Compact, the Group has introduced a risk assessment process where particular focus is placed on the supplier's that are deemed to constitute the largest sustainability risks. In the supply chain, direct purchases from small and medium-sized enterprises in Asia make up the largest risk.

Mekonomen Group has a purchasing office in Hong Kong to be present closer to the production in Asia and develops the product range under our own brands. Through the purchasing office, internal audits are also conducted in the suppliers' factories.

For the past two years, all new supplier agreements contain a clause on compliance to the UN Global Compact. The work of updating already existing agreements is continuously under way. Today, suppliers that account for 90 per cent of spare part sales have agreed to compliance to the UN Global Compact, or have presented an equivalent code of conduct of their own that matches these principles.

## Anti-corruption

Although the risk is considered higher in certain markets and certain industries, corruption is not geographically limited. Mekonomen Group applies zero tolerance. Today, we make purchases from markets where corruption is a well-known problem, which requires that we actively distance ourselves from these practices. Through a central purchasing organisation that secures all major purchasing agreements for our three Group companies, we have better control over suppliers and the flow of products. Our supplier agreements contain clauses that include anti-corruption by referring to the United Nations Global Compact. In 2015, Mekonomen Group had no reported cases of corruption.

### Greater control and follow-up in the operations

The Group's environmental impact in the Nordic region mainly takes place in the areas of energy, transportation and the handling of chemicals. Our proprietary operations in MECA Sweden, MECA Norway and Mekonomen Sweden have made the most progress in environmental work, and all of these facilities hold ISO 14001 certification. Mekonomen's proprietary operations in Sweden have also been certified for occupational health and safety (OHSAS 18001) and quality management (ISO 9001). Certifications of the operations have entailed better control with clear processes to discover and manage deviations. We intend to report energy consumption and CO<sup>2</sup> in greater detail in the 2016 sustainability report.

### Environmental work

Environmental work comprises surveys of the most significant environmental impact of the operations, and includes environmental policies, certified environmental management systems and environmental manuals describing procedures, monitoring and responsibilities. Environmental management systems undergo external audits every year, and environmental goals and monitoring procedures are determined for each financial year. Within the Group, several courses are offered in the environmental area, such as the handling and transportation of hazardous goods (ADR) and national legislation related to chemicals and CE marking. Products are checked at several stages regarding, for example, their compliance with national requirements and registration. Specifications on content, labelling and safety data are also produced. The agreements signed with suppliers include a number of documents concerning environmental standards, such as the EU REACH regulation, which also require compliance.

### Energy audit

Mekonomen Group has registered as subject to the Act on Energy Audits in Large Companies. We have begun an energy audit of the operations according to a process from the Swedish Energy Agency with the aim of identifying steps to reduce energy consumption in the Group. The work mainly concerns Sweden, but will in the future be implemented in part or in whole in the Norwegian operations. The regulation is based on an EU directive for the Member States and means that an audit is to be conducted at least once every four years.



## Bulb quality

In 2015, quality deficiencies were discovered in bulbs under the ProMeister brand. Parts of the range did not have the correct geometry, resulting in the filament's position being incorrect. The deficiencies led to a sales stop and after additional independent testing, the decision was made to recall ProMeister H1, H4 and H7 bulbs.

We view the quality deficiencies at the supplier in question seriously and have further expanded our own controls in the entire ProMeister range. In autumn 2015, it was ensured that the quality problem was isolated to this category of automotive bulbs.



## Deficiencies in the production chain

In connection with Mekonomen Group's acquisition of Opus Equipment in July 2015, the Group became the owner of a factory premises with some ten employees. Mekonomen Group's internal audit before the acquisition showed deficiencies in the working environment and labour law conditions. After the acquisition, Mekonomen Group took a number of steps to ensure that the operation complies with the Group's sustainability requirements and the principles for human rights.

- Ensured that labour law rules are followed
- Ensured that employment contracts and insurance policies are established in accordance with local regulations and the Group's requirements
- Ensured that contracts and accounts are prepared in accordance with the Group's requirements
- Continuous internal audits at the factory
- More suitable premises are sought for the operations

## Customer care and quality

Our customer promises are based on our values. We put the customer first and focus on always meeting our customers' expectations. The customer associates us with high quality, affordability and innovation.

### Dialogue with our customers

The most important dialogue with our customers takes place in our stores and workshops. In order to understand the customer's perceptions and to measure the quality of our operations, we use Mystery Shopping. We conduct customer surveys by SMS, e-mail or phone after the customer visits a workshop. On our websites, we encourage our customers to submit opinions, questions and suggestions on improvement areas.

### The customer as our ambassador

We want our customers to be our ambassadors and recommend us to others. In 2016, we intend to introduce the customer rating tool Net Promoter Score (NPS) where the result shows what percentage of the customers are ambassadors for Mekonomen Group. Today, 95 per cent of MECA's and Mekonomen's customers answer yes to the question of whether they would recommend the workshop to others. An equal number would consider making an appointment for their car at the same workshop again.

### Quality and value for money

We sell quality spare parts that come from the same suppliers that deliver parts to the car makers. The parts match the quality of an original part, but most often at a lower price than at brand-dependent vendors. We also offer an extensive network of stores with knowledgeable employees who can give our customers advice and help regarding the car and associated products. To offer the same high quality at an even lower price, we have developed a proprietary spare parts brand, ProMeister. We set high standards on ProMeister suppliers and conduct careful quality controls, in part through Mekonomen Group's testing laboratory in Poland. In order for the customers to be secure in choosing ProMeister, we have introduced the industry's longest warranty period of five years.

Quality in the workshops is guaranteed through continuous follow-up of quality assurance processes, controls and skills development among the Group's mechanics. Through our own training centre ProMeister Academy, more than 2,300 training days for mechanics were carried out in 2015. Mekonomen Group's workshops most often offer a lower price on service and repairs than brand-dependent players offer. Mekonomen's concept workshops in Sweden also offer a price guarantee both on service and repairs that mean that the customer gets back twice the difference if a less expensive service or repair alternative is available at ordinary price at an authorised car service centre.

# 95%

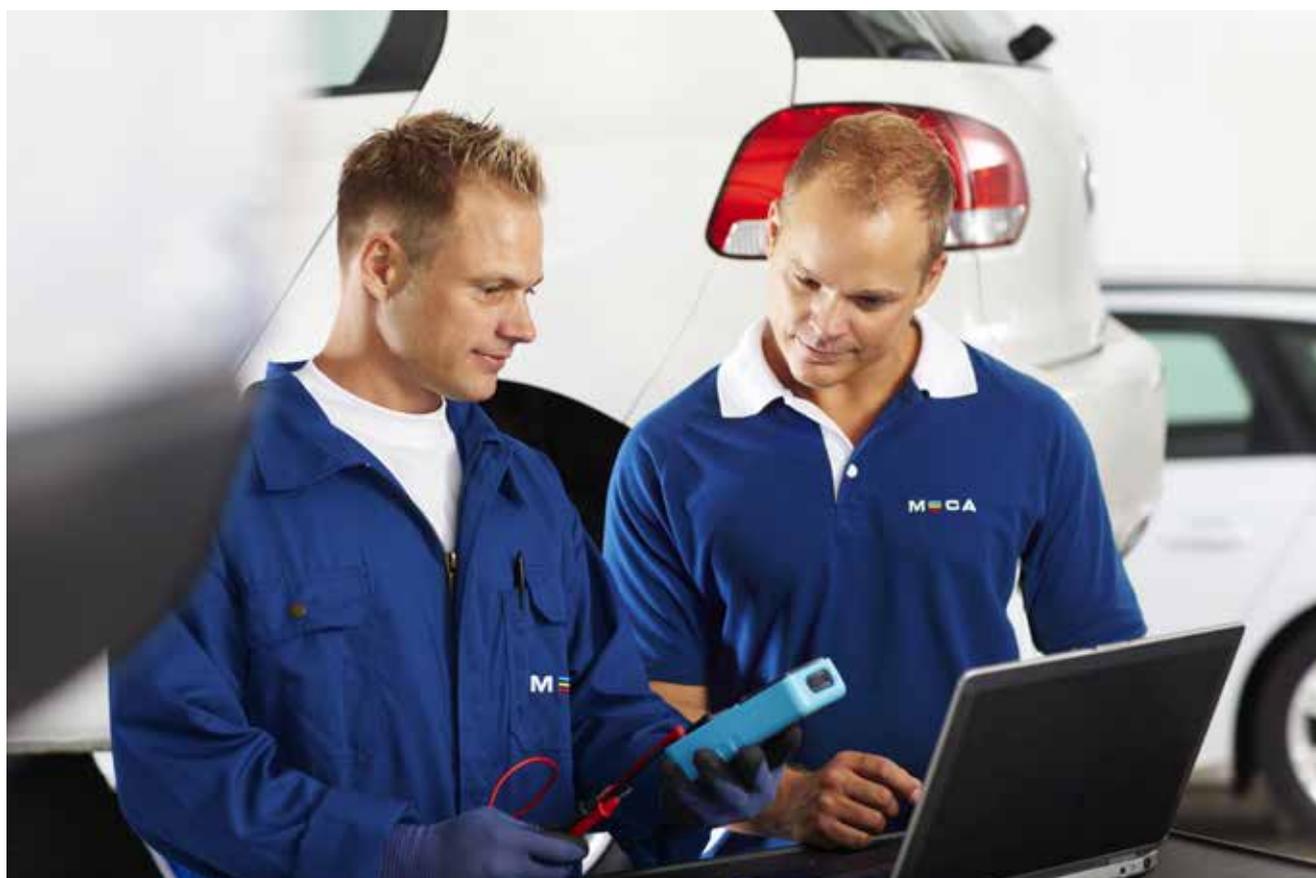
of MECA's and Mekonomen's customers answer yes to the question of whether they would recommend the workshop to others.



# GRI-Index

Mekonomen Group has reported its work with sustainability and corporate responsibility each year as part of the Annual Report since 2010. Mekonomen Group publishes a separate Sustainability Report for 2015, which is a supplement to the Annual Report. The GRI index also refers to information in the Annual Report. This year's Sustainability Report includes the 2015 financial year and is the first year that it has been produced in accordance with Global Reporting Initiative G4 Core (GRI) guidelines governing the reporting of sustainability information. The Sustainability Report includes all of Mekonomen Group's proprietary workshops in the Nordic region, including the Group companies MECA, Mekonomen and Sørensen og Balchen. Where a section of the report only refers to one part of the Group, this is stated consistently throughout. Affiliated workshops are not owned by the Group and are not included in the report's reported key figures unless specifically stated in connection with the reported key figure. Affiliated workshops are principally included in the report's Product and workshop quality and Training areas of focus.

Our GRI index presents the indicators selected on the basis of our material issues and that we disclosed in 2015 with a cross-reference to the principles of the UN Global Compact (UNGC). The sustainability information has not been audited by a third party. The most recent Sustainability Report was published on 23 March 2015.



STANDARD DISCLOSURES				
Description	Page	Comment/Reservation	UNGC principle	
<b>Strategy and Analysis</b>				
G4-1	Comment by the CEO	2		
<b>Organisationsprofil</b>				
G4-3	Name of the organisation	1		
G4-4	Primary brands, products and services	1, AR 14–15		
G4-5	Location of headquarters	1		
G4-6	Countries where the Group operates	1		
G4-7	Nature of ownership and legal form.	1, ÅAR 34–40		
G4-8	Markets served	1		
G4-9	Scale of the reporting organisation	1		
G4-10	Total number of employees	1, 6		
G4-11	Percentage of employees covered by collective agreement	6	The Group intends to report the disclosure more closely in the Sustainability Report 2016.	3
G4-12	The company's supply chain	7		
G4-13	Significant changes during the reporting period	1, AR 28–33	No significant changes have taken place.	
G4-14	Precautionary principle	7–8		7
G4-15	External charters, principles and initiatives	3		
G4-16	Membership associations		The Group is a partner and a member of the Board of Telge Tillväxt. The Group is also a member of the Board of Insamlingsstiftelsen En Frisk Generation, as well as member of the trade organisation SFVF.	
<b>Identified Material Aspects and Boundaries</b>				
G4-17	Entities included or excluded	10, AR 28–33		
G4-18	Process for defining report content	3		
G4-19	Identified material aspects	3–4		
G4-20	Descriptions of material aspect boundaries within the organization	3		
G4-21	Descriptions of material aspect boundaries outside the organization	3		
G4-22	Effect of any restatements of information provided in previous reports		No restatements have been made.	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries		Non applicable.	
<b>Stakeholder Engagement</b>				
G4-24	Stakeholder groups	4		
G4-25	Identification and selection of stakeholders	4		
G4-26	Approach to stakeholder engagement	4, 6, 9		
G4-27	Key topics raised during stakeholder engagements	4		
<b>Report profile</b>				
G4-28	Reporting period	10		
G4-29	Date of most recent report	10		
G4-30	Reporting cycle	10		
G4-31	Report contact	13	ir@mekonomen.se	
G4-32	"In accordance" option, GRI Index and report assurance	10–12		
G4-33	Policy and current practice regarding report assurance	10		
<b>Governance</b>				
G4-34	Governance structure of the organization	3, AR 34–40		
<b>Ethics and Integrity</b>				
G4-56	The organisation's values, principles, standards, Code of Conduct and ethics Policy	6		10

SPECIFIC STANDARD DISCLOSURES						
Material aspects	DMA and Indicators	Description	Page	Comment/Reservation	Focus areas in Mekonomen Group's materiality analysis	UNGC principle
<b>Environmental</b>						
Energy	G4-DMA	Management approach of material aspects	3,8			7,8
	G4-EN3	Direct and indirect energy consumption by primary energy source	8	The Group intends to report the indicator more closely in the Sustainability Report 2016.	Transport and energy consumption	7,8
Transport	G4-DMA	Management approach of material aspects	3,8			8
	G4-EN30	Environmental impact of transport and travel	8	The Group intends to report the indicator more closely in the Sustainability Report 2016.	Transport and energy consumption	8
Supplier Environmental Assessment	G4-DMA	Management approach of material aspects	3,4			8
	G4-EN32	Percentage of new suppliers screened using environmental criteria	7		Responsible purchasing	8
<b>Social</b>						
Employment	G4-DMA	Management approach of material aspects	3			6
	G4-LA1	Total number of employees and employee turnover, by age group, gender and region	6	The Group does not report complete data.	Managers and employees Diversity	6
Work environment, health and safety	G4-DMA	Management approach of material aspects	3,8			
	G4-LA6	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities per region	6	The Group does not report complete data.	Managers and employees	
Training and Education	G4-DMA	Management approach of material aspects	3,4,6			6
	G4-LA9	Average number of training and hours of training per employee per year; broken down by employee categories	6	The Group does not report complete data.	Managers and employees Training	6
Equality and diversity	G4-DMA	Management approach of material aspects	3,6			6
	G4-LA12	Composition of the board, management and employees broken down by indicators of diversity	6, AR 39–40	The Group does not report complete data.	Managers and employees Diversity	6
Supplier Assessment for Labor Practices	G4-DMA	Management approach of material aspects	3,4			
	G4 LA14	Percentage of new suppliers that were screened using labor practices criteria	7		Responsible purchasing	
<b>Human rights</b>						
Non-discrimination	G4-DMA	Management approach of material aspects	3			6
	G4-HR3	Total number of incidents of discrimination and corrective actions taken		No cases of discrimination were reported in 2015.	Diversity	6
Supplier Human Rights Assessment	G4-DMA	Management approach of material aspects	3,4			2
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	7		Responsible purchasing	2
<b>Society</b>						
Anti-corruption	G4-DMA	Management approach of material aspects	3,4,7			10
	G4-S04	Percentage of employees that have received training in the organisation's policies and procedures on anti-corruption	6	The Group intends to report the indicator more closely in the Sustainability Report 2016.	Responsible purchasing	10
	G4-S05	Actions taken in response to incidents of corruption	7		Responsible purchasing	10
<b>Product responsibility</b>						
Product and workshop quality	G4-DMA	Management approach of material aspects	3,7			
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	7		Product and workshop quality	
Labelling of products and services	G4-DMA	Management approach of material aspects	3,9			
	G4 PR5	Procedures for customer satisfaction, including results from customer surveys	9	The Group intends to report the indicator more closely in the Sustainability Report 2016.	Customer satisfaction	

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